

COMMITTEE ON FINANCE
(Standing Committee of Berkeley County Council)

Chairman: Mr. Jack H. Schurlknight, Council Member District No. 6

A **meeting** of the **Committee on Finance**, Standing Committee of Berkeley County Council, was held on Monday, **February 28, 2011**, in the Assembly Room of the Berkeley County Administration Building, 1003 Highway 52, Moncks Corner, South Carolina, at 6:35 p.m.

PRESENT: Chairman Jack H. Schurlknight, Council District No. 6; Committee Member Robert O. Call, Jr., Council District No. 3; Committee Member Cathy S. Davis, Council District No. 4; Committee Member Caldwell Pinckney, Jr., Council District No. 7; Committee Member Steve C. Davis, Council District No. 8; ex-officios Mr. Daniel W. Davis, County Supervisor, Mr. Phillip Farley, Council District No. 1, Mr. Timothy J. Callanan, Council District No. 2, and Mr. Dennis Fish, Council District No. 5; Ms. Nicole Scott Ewing, County Attorney; and Ms. Barbara B. Austin, Clerk of County Council.

In accordance with the Freedom of Information Act, the electronic and print media were duly notified.

Chairman Schurlknight called the meeting to order.

APPROVAL OF MINUTES

Chairman Schurlknight: "First on the agenda is approval of minutes, and you all noticed we overlooked the approval of the minutes during our January meeting; therefore, we need to consider the December 13, 2010 and the January 24, 2011 minutes."

It was moved by Committee Member Call and seconded by Committee Member Steve Davis to **approve** the minutes as presented. The motion passed by unanimous voice vote of the Committee.

EXECUTIVE SESSION – none

A. Ms. Scarlett Wilson, Ninth Circuit Solicitor, Re: Fraudulent Check Collection/Service of Warrants

Ms. Wilson: "Hello; how are you all? Good to see you all again. The last time I was here, I believe, I spoke to you about drug court. And, while I'm not here to speak about that, I can tell you that we are building it here in Berkeley County. I hear nothing

but great things about the facility that we're using with drug court. We're trying to build up the number of people who participate, but it's going well, and today we announced a new track within drug court, which provides specified treatment for veterans. So, we're hoping to get a number of volunteers to mentor with the drug court to help veterans who have become involved with the system. I also wanted to mention to you – I had requested that I appear in March, so that I would have my budget presented, but you got me on the agenda a day early, I guess, and I'm happy to be here, but I wanted to let you know, I will be trying to come back before July just to give you a heads up about what's going on with our budget cuts. While I am funded gratefully by you all, I also get funding from the state, which has been cut dramatically and which is continuing to be cut, and we are facing losing two lawyers. We are already down two, in that for the workload that Berkeley has and has grown to be, we need two more lawyers. But, I'm not asking you for an additional two, I'm just asking not to lose two that we have, and you'll hear more about that with my budget presentation, but I wanted to let you know that, especially since, I believe, Mr. Pennington's going to be forecasting what's going on with the Public Defender's Office, which, obviously, is critical to the functioning of my office, as well. The reason why I am here is because I wanted to propose to you the idea of finally starting a worthless check unit here in Berkeley County. You may recall from some of the press events that we've had in the past year and a-half over in Charleston County that we started a worthless check unit there. The reason we started there was because it being a bigger operation, I felt like we could work out the kinks there, get up and running, operating smoothly, then bring Berkeley County on so that Berkeley County wouldn't have to bear the expense of inventing that wheel, if you will. We are up and running there. A lot of people have asked me, especially with all of the work that's going on, why would you want to take on something else? Well, the reason is the legislature gave the Solicitor's Office, or put upon the Solicitor's Office, the duty of starting these worthless check units. Of course, they did not fund it. The idea, however, is that eventually the worthless check unit would be self-sufficient. We are almost at that point in Charleston County, and I believe we're at the point that we could take on Berkeley County with relatively little expense from the County, and certainly expense that I hope could be recouped by the County. In case you aren't familiar with the worthless check unit – what it does is simplify the process for merchants or for just ordinary citizens who have, for whatever reason, accepted a check that turns out to be no good. As it stands now, merchants and those who take checks that turn out to be bad checks have to get a certified letter, send it to the person who wrote the check, wait a period of time; if they aren't successful in collecting on the check, then they have to go to the Magistrate's Office, get a warrant; then the Sheriff's Office has to go serve that warrant. I will tell you all that in, here in Berkeley County, you are in good shape, because Judge Ayers has run such a good operation with worthless checks. Also, the Sheriff's Office has done a good job with that, but where this proviso that the legislature set forth comes in handy is it prevents citizens and merchants from having to become involved at all. All they have to do is send to the Solicitor's Office a form, a copy of the check, and then, they are out of it. It costs them, literally forty-four cents for them to start this process, and then, my office takes over, thereby, preventing thousands of warrants from ever being drafted, either by the Magistrate or the Sheriff's Office. If we are not able to make the collection on the check, then the warrant process takes place, but again, the merchant or the citizen

doesn't have to come. My office goes to the Magistrate's Office, gets the warrant, and that process begins there. It is a wonderful program that the counties that surround you have in place. And, I have, personally, received a number of calls from merchants in Berkeley County asking for this program. I've also received inquiry from merchants who have businesses that overlap, who don't understand why they can obtain this great service in Charleston County, but can't have it in Berkeley, or they're in Dorchester County, where they have the service, and they can't get it done in Berkeley. It will take, I'm guessing, at least a year for it to begin being self-sufficient, but as I said earlier, all of the other counties that run these programs are self-sufficient. You know, in some places, when they first started with the worthless check units, they were big moneymakers for the Solicitor. I do not anticipate that. I have talked with my counterparts in Horry County and in York County to get sort of a survey of what to expect from that, and they break even or are revenue-positive just a little bit, but it's not any kind of cash cow for me. That's not why I'm wanting to do it. I think that we could hope to maybe make a little bit. The County, apart from the Solicitor's Office, should make more than they make now, and shouldn't, after the initial start-up costs, suffer any loss from it. I'd be happy to answer any questions about it. One other great thing about the program, I should add, it is a diversion program, much like pretrial intervention. People who have fallen on hard times, who are not truly criminals in the true sense of the word have an opportunity to make good on checks before warrants are issued and before they obtain criminal records, and that's certainly is something that we want to see. Now, if someone makes a habit of this, and this is their way of frankly doing business, it's no skin off our nose if they do get a record, but that is a third benefit, that it prevents people who aren't truly criminals from becoming criminals by having fraudulent check convictions."

Chairman Schurlknight: "Ms. Wilson, roughly, how much in start-up funds are you talking about a cost in start-up, and it'd probably take us a year to get self-sufficient with this system? What are some rough dollar numbers?"

Ms. Wilson: "We believe, again, on the top end, by adding one employee, and then some of the supplies, printing, a computer, things like that, we believe the first year's expenses would be \$51,000.00, roughly. Now, what would happen would be, after we get going, we would make a substantial amount of that back through the program and the fees that are paid by the bad check writer. Again, that would be the first year's expenses. After that, the cost would just be the minimal number of supplies, and then, again, that FTE position."

Chairman Schurlknight: "Ok; so, basically, what you're asking us for is an employee, and then whatever the supplies, and an employee would need to run that office."

Ms. Wilson: "I submitted a list of items to Chairman Davis, because I thought that was who I should have submitted it to, but it lists out the salary, the fringe, postage, supplies, printing, a phone, copier – because of Berkeley County's landscape, I believe, we would also need some drop boxes for those who choose to drop off their form instead of mail it in, and a PC. Again, the PC would be a one-time type expense, but the bottom

line was it came to about \$51,000.00. I would project at the worst, the worst case scenario, we would bring in \$23,000.00 less than that the first year. But, again, the County's gonna recoup that \$23,000.00 over the coming years, and I think that's a worst case scenario. I wanted to make sure you all had the worst case."

Chairman Schurlknight: "Good. Kace, do we have any numbers as far as the Sheriff's Department. You know, we're starting to compare now, this system, with the Sheriff's Department."

Ms. Kace Smith, Deputy Supervisor and Finance Director: "No, Sir; I don't have any of those figures. I haven't been supplied anything, but I can gather those for County Council."

Ms. Wilson: "What kind of numbers? I couldn't hear you."

Chairman Schurlknight: "Looking at what expenses as far as the Sheriff's Department in comparing the two collection systems."

Ms. Wilson: "I don't have the expenses, but in the material that I presented, I believe, looking at the numbers that I gathered from Judge Ayers, again conservatively, we could save the issuance of about 3,600 warrants. So, if you look at warrants being prepared and then being served, that's a pretty big number. But, I don't – I can't associate what the cost would be for the Sheriff on that."

Committee Member Steve Davis, "Mr. Chairman?"

Chairman Schurlknight: "Mr. Davis."

Committee Member Steve Davis: "If you're not finished, I'll wait until you're finished. I'm sorry; go ahead."

Chairman Schurlknight: "I just had another question. If you cannot collect the check, what do you all do at that point. Do you all send it on to the Sheriff's Department at that point, or?"

Ms. Wilson: "At that point, again, instead of what would normally happen, a merchant would have to go to the Magistrate's Office, get a warrant prepared, swear it out. What we would do is go get the warrant ourselves for the merchant, and then, again, after the warrant is served – most of these cases, I mean, 99.99 percent result in a guilty plea, versus a trial. If it were to go to trial, we could certainly be involved in that, but we would start the warrant process at that point if we were not able to collect. But, the beauty in these systems across the state has been a very high collection rate. For whatever reason – it's hard for me to – I don't understand why it works either. It would seem to me if you're gonna avoid it, you're gonna avoid it, but there's something about getting that letter with a letterhead seems to work."

Chairman Schurlknight: "Councilman Davis?"

Committee Member Steve Davis: "Yes; and Solicitor Wilson, you know, I commend you for coming forward. I did draft for corresponding back to you, and so, apparently, we were dealing on different pages. I was drafting you back a correspondence addressing you that you actually would have to come in front of the Finance Committee. And, I will share some of the contents of that letter. As a matter-of-fact, you have alluded to some of them in reference to the dramatic cuts that has occurred on the state level down to the local level. And so, I'm not too impressed in reference to the legislature in reference to sending things down with the local level without any necessary funds to go with it. I mean, I think that's the new rally cry all across the nation, you know. In some states..."

Ms. Wilson: "I certainly understand."

Committee Member Steve Davis: "...they're talking about nullification if the money don't actually come with it. But, we're not to those extremes, but this is what do catch me though, in regard to Berkeley County. I have a letter here that really kind of stands the support that we should maintain the system that we have. This is a letter from Bi-Lo, and it says, 'While many counties have need of the Solicitor's Worthless Check Program, which I utilize in seven other counties, I feel Berkeley County is self-sufficient and does not need the Worthless Check Program.' And, there we go again, you know, legislature think that one size may fit all. We may not have a necessity for that, especially, in these most difficult economic times when we're talking about a \$51,000.00 start-up fund. And, it goes further. I get a letter from Piggly Wiggly. These are the big merchants in Berkeley County. These are the folks that folks write a great majority of the bad checks – it's going to be at Bi-Lo, Piggly Wiggly, and these type of establishments. And, there it go again; this is from Jasper M. Gentry, from Piggly Wiggle, Charleston, SC, says, 'Having said that, the bottom line for Piggly Wiggly is that we want to recover as much money as possible stolen from us though the use of fraudulent checks. In my opinion, no one does a better job than Captain Greene and his staff from Berkeley County.' And, 'I think we all believe in the old adage, if it ain't broke, don't fix it'. Now, I take great weight in that regard, because I understand your role as the Solicitor, I understand the Sheriff's role in relationship to how these checks and manpower in relationship to he having manpower to actually go and serve the warrant. I commend you to say that if the program – people don't join the program in the 99.9 percent, that you'll actually go out and effectuate the warrant. But, at the bottom line, it's still gonna require some deputy or law enforcement to actually serve that warrant."

Ms. Wilson: "If it goes that far, yes, Sir."

Committee Member Steve Davis: "That's correct. Now, I would think, in all due difference to both of you as esteemed and well-qualified Solicitor for Berkeley and Charleston Counties – I've had occasion, and so I'm not just throwing this out – flattery, but I really think you do a tremendous job. But, at the same time, I'm very leery in relationship to when you tell us that the legislature is telling you and impressing upon the

Solicitors. That is a disconnect, as far as I am concerned. And, I think that's what happens sometimes. I think it's very unfortunate that everybody that serve in the legislature don't get an opportunity to serve on the local level first, because then they'd understand the intertwining and difficulties we have and difficult decisions we have to make on the local level in reference to the taxpayers in reference to being great stewards of the taxpayers' money. Now, I'm just of the opinion, at this point, that I wouldn't be supportive of it. In fact, that was in my letter that I addressed to you. And so, I'm just going on the record in that regard as to why I don't believe, at this point, with the economic downturn we've got. And, the Sheriff's Department is doing a tremendous job. And, I saw the number of warrants that they effectuated in the same manner and the mechanism for the program that you are about to start."

Ms. Wilson: "A couple of things – I wish I had your letter before I had come here tonight. One of the things that's important to note about the two letters that you got is those are not mom and pop operations. Piggly Wiggly and Bi-Lo are not the targets of this program. They have their own companies who do this type of work and then make a bunch of money off it. And, there's no problem with that. I think that's great for them. The people who are getting hurt by this are not the big corporations like that. It's the mom and pop operations. It's the smaller businesses who are out there. And, while I do not like unfunded mandates either, in the legislature's defense, this program will be self-sufficient, so it's not as if they would expect Berkeley County to continue shouldering any sort of expenses. It would be self-sufficient."

Committee Member Steve Davis: "But you..."

Ms. Wilson: "So, the real question becomes whether or not Council wants to save merchants – mom and pop operations the time and expense of pursuing worthless checks, because I can tell you, as many worthless checks as there are, what you will find once a program starts is that there's so many that don't ever get pursued, because it's a pain for them. And, that's unfortunate, because that's money out of taxpayer's hands. So, I think there is another side to this besides the big corporations. Certainly, I have not received a call from Piggly Wiggly or from BiLo. The people that I have received calls from, and I believe some of you have received calls from, are the people who are really feeling it, because they can't hide behind some corporation."

Committee Member Steve Davis: "Ok, well I'll tell you, in 1992, I went into private practice. I think I've got a mom and pop business to some extent, you know, and the first case that I went out and diligently worked very hard – I was very successful, and the client wrote me a check, and low and behold, I went to the bank, and it was no good."

[Laughter]

Committee Member Steve Davis: "I'd done everything, and I learned, specifically from then from that standpoint, that I'd take some checks, but I'm very credible. So, the mom and pop sometimes can put themselves in a position to protect that loss also. There's some – you know, so – it's the real world – you know, I deal with

people every day. I'm a mom and pop, you know, so I understand that aspect, but what I'm really trying to say, Solicitor, is in relationship to where we are with funds. Immediately after you leave, Ashley Pennington is coming up and telling Berkeley County..."

Ms. Wilson: "Oh, and I'm coming back."

Committee Member Steve Davis: "Even you want some more funds."

Ms. Wilson: "Yes, Sir."

Committee Member Steve Davis: "And so, my point is I'm asking while we're in this state of affairs, and the information I've received, that maybe we can put off and wait on this Worthless Check Program during this economic downturn. Not to totally say, Solicitor, we closed to the option in the future, but if you got folks that are doing a very efficient job, and the bottom line is being served, then I think it behooves us as great stewards of the taxpayers' fund to kind of hold off at this juncture with all the unknowns we know at this point. I just went to a mid-conference up in Columbia, and they're thinking about cutting funds to the state level again. So, 50,000 here, 30, 000 here, a 100,000 there, 10,000 here – well, ya'll want a tax increase? That's not what I'm hearing from taxed enough already."

Ms. Wilson: "I certainly understand, and I think that makes perfect sense as far as looking at the analysis and maybe some more information from the Sheriff's Office might be helpful for all of you in making your decision. We're here, we're ready to do it for the citizens of Berkeley County, and if now is not the time fiscally, it's not the time."

Committee Member Steve Davis: "Thank you; thank you, Solicitor; thank you; thank you very much."

Committee Member Pinckney: "Mr. Chairman, I've got one question I'd like to ask in reference to that. You mentioned earlier that one of the upside of it is, the Worthless Check Program, is that a citizen is more likely to get a record from that."

Ms. Wilson: "That's right."

Committee Member Pinckney: "Now, let me ask you this. If, in fact, we elect to stay with what we've currently got, is there some kind of way we can kind of tweak that into it? Can't work it that way, huh?"

Ms. Wilson: "No, Sir."

Committee Member Pinckney: "I just thought I'd try. Thank you."

Ms. Wilson: "Nice try."

Chairman Schurlknight: "Good."

Committee Member Call: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Call."

Committee Member Call: "Ms. Wilson, I heard what you said about the forty-four cent deal where the little guy could just mail this check in, I guess, to your office."

Ms. Wilson: "Yes, Sir."

Committee Member Call: "And it would be taken care of. The problem I see with worthless checks – and Captain Greene does do an excellent job, the Sheriff's Department does an excellent job, but there is a lot of red tape between a guy taking a rent check and that getting to Captain Greene. Just the little people have a lot of trouble. Now, these people like Piggly Wiggly and BiLo, I'll call them just because their names are in here, but I will tell you when I go, for instance, to get my car serviced, and I write a check, they run that check through the cash register and give it back to me. They use it just like a debit card. And, these people can certainly protect themselves more than they are and not depend on your office, the Sheriff's Office, to do something where..."

Ms. Wilson: "Absolutely."

Committee Member Call: "...they fail to do it."

Ms. Wilson: "Absolutely."

Committee Member Call: "And, I would be in favor of cutting out, I mean, and it's a lot of red tape between accepting a worthless check and getting it in Captain Greene's hands."

Ms. Wilson: "Right. And there's no question, this is..."

Committee Member Call: "If we could cut that out for the citizens that don't understand the system, like BiLo and Piggly Wiggly, then I'm in favor of doing that, but these people that won't protect themselves..."

Ms. Wilson: "Right."

Committee Member Call: "...I'm really not in favor of giving them a whole lot of help, but you're telling me that we can't do a hybrid, I believe, is what your answer was. We can't help the little guy without helping the big guy?"

Ms. Wilson: "Well, I think that, you know, first of all, this is no reflection at all, as I said when I started out, on Berkeley County, how things are working now. It's just it. It is still not saving the merchants and the mom and pop type operations from the

initial work. Absolutely, I've heard great things about the Sheriff's Office and how they handle worthless check warrants once they get them. And, I think they do a fantastic job, and that – the need for that wouldn't go away, because there will be a number of checks that still aren't made good, and merchants who still aren't made whole, so Captain Greene certainly would – we would still hope he would be serving in that capacity, but the volume should change. And, the problem as far as you're saying, there's no way without an additional FTE even if it weren't with my office, for someone to have to educate these merchants and to work the check in that preliminary stage. I don't know how that's possible. Besides the fact that the legislature has established this proviso, which for whatever reason gives this to the Solicitors to handle, and I don't believe it has given the authority to any other group to do that kind of work. I mean, it would suit me fine if they did, if they gave it to somebody else, or gave it to the Sheriff, or whomever."

Committee Member Call: "I'm here to tell you that a lot of people just give up and don't even – they just eat the check. I know, I have, over the years, for rent, just dozens of them. They just were not worth the trouble to spend the money on to collect them."

Ms. Wilson: "And, I think that's..."

Committee Member Call: "Because, the people, for some reason, had moved out of the house and nobody could find them."

Ms. Wilson: "Right."

Committee Member Call: "And, if you go to a Small Claims Court, and you don't know that they live in the same county..."

Ms. Wilson: "You don't have them served."

Committee Member Call: "Oh, yeah; there's cross-jurisdictional problems, but for people that are just in small businesses, they need the red tape cut out, so they don't give up just because of the big old problem to go through to get their check cashed."

Ms. Wilson: "I think, that's one of the things that Chairman Davis was alluding to as far as the way the system works in Berkeley County. It is a good system, after the warrant's obtained. Where we come in handy and where we help the citizen is..."

Committee Member Call: "Is before."

Ms. Wilson: "...what you're saying – doing the red tape or eliminating the red tape for them. And that truly is the question for ya'll, whether or not it's worth it to you to do that. We're here, we're ready, whatever ya'll decide."

Chairman Schurlknight: "Good; thank you."

Committee Member Call: "One more time."

Chairman Schurlknight: "Go right ahead."

Committee Member Call: "Let me explain what my problem was, and it may be different from everybody else's, but I couldn't – I could go to the bank with the people's check, and if the money wasn't there, I couldn't do anything with the check. The only way I could do anything with the check would be to deposit it in my bank, have it go to their bank and be dishonored, and come back to me stamped NSF, then I had something I could do it with. That may have taken days. And, I have no way, when somebody gives me a check, of calling to see if it's any good, because the banks just won't give you that information over the telephone. Now, there are some banks that you can dial in, and you can find out if there's sufficient funds, but it is really, really difficult on people that are not in as large a business as some of these companies that can protect themselves better – they can afford to protect themselves better, and I can't afford to use those systems."

Ms. Wilson: "Right."

Committee Member Call: "But, to help the little people, the mom and pops, the people that are in the rental business and people like that, we need to cut the red tape out if we possibly can, and make the system easier to work for them. Thank you."

Ms. Wilson: "Any other questions?"

Chairman Schurlknight: "Thank you. What's the flavor of the Committee?"

Mr. Callanan: "Move for approval. Oh, I'm not – I'm sorry."

Committee Member Steve Davis: "I move for denial at this time."

Chairman Schurknight: "We have a motion by Council Member Davis to deny. Do I have a second?"

Mr. Farley: "I don't think they were asking for anything tonight, were they?"

Ms. Wilson: "That's up to ya'll. We wouldn't be able to start until July 1, so what I had anticipated was including this in my budget."

Committee Member Pinckney: "Mr. Chairman?"

Supervisor Daniel Davis: "We certainly don't have the funds on hand right now. This would have to be incorporated into the budget to fund this for next year."

Chairman Schurlknight: "Then, we can take it as information."

Ms. Wilson: "Yes, Sir; ok."

Committee Member Call: "I don't think she's asking for anything in particular. She's just presenting it to us."

Committee Member Steve Davis: "Well, just to make sure I'm adequately clear, now, don't think I made a motion for nothing. The letter – y'all haven't been addressed – privy to the letter, but the letter did request \$51,000."

Ms. Wilson: "For next fiscal year; yes, Sir."

Committee Member Steve Davis: "And so, it would come before this Committee to make that decision, but I'll withdraw my denial motion at this time, and give the Supervisor and the Solicitor all due courtesy and all that stuff to see if they can find that funds from somewhere. And, I thank you, Scarlett; thank you very much."

Ms. Wilson: "Thank you."

Chairman Schurlknight: "Thank you."

Committee Member Pinckney: "Also, with that being said, I would also like to do a comparison analysis to see the pros and the cons in this, so I would get a better understanding for it, a better feel for it."

Chairman Schurlknight: "And, we can handle that."

Committee Member Pinckney: "Ok."

Chairman Schurlknight: "Are you talking about a comparison with the Sheriff's Department existing and the proposed system?"

Committee Member Pinckney: "Yeah."

Chairman Schurlknight: "Thank you, Ms. Scarlett."

Ms. Scarlett Wilson's presentation was accepted by the Committee as information only.

B. Mr. Ashley Pennington, Ninth Circuit Public Defender, Re: Indigent Defense Funding

Mr. Pennington: "Thank you; good evening. I appreciate the time of the Council tonight, and what I wanted to do is to alert the Council to an impending crisis for the criminal justice system for Berkeley County, for your citizens. Last November, I wrote a letter to Councilman Davis, and I also met with Chairman Davis, alerting them that, because of the state's budget cuts that have reduced our small budget of five lawyers by

over \$130,000, that in FY '12, the upcoming budget year, I will be faced with having to shut the office for two months, furlough for what would be two months, which would mean that, in effect, the criminal courts could not function, nor the family courts could function, in-so-far as indigent defense and criminal justice is concerned, which, I think, would be – have a profound impact on your community. What, in effect, has occurred is that the state funding applies to roughly one-third of the funding for Berkeley County, traditionally. And, what has happened is that with \$139,000 in cuts, that equates to roughly two months of our operating expenses, because it cost about \$55,000 a month to operate. To let you know how we fit in, because some of you, I'm sure you're familiar with your Sheriff's Office and with your Judiciary and with the Solicitor's Office, but the Public Defender is mandated under the Constitution to provide legal representation to citizens who cannot afford counsel, and that applies whenever there is a possible jail sentence involved. And so, this chiefly addresses the two main areas of the General Sessions Court that is operated periodically at the Courthouse and also your Family Court, where you have minors who are charged with the same kind of offenses, serious felony offenses where the Solicitor has said that this is not enough to just divert this child to some program, but there needs to be some adjudication of guilt and some disposition of that child. To also give you an idea of the scale of the office and how sensitive we are to these cuts, I've provided you with a document that has three pages to it. It shows on Page 1, for the last three years, the number of new clients and new cases that have come in through the Public Defender's Office for each of those three years. It also shows the Family Court for the same time frame, the number of children that have been assigned to the Public Defender. And then, the last page, which is really the most important one, it shows the structure of the office. It shows that both for – well, for the entire office, you're dealing with a grand total of five attorneys that handle 100 percent of the General Sessions and Family Court cases. I can report to you that if you look for the statistics provided for 2010, that the lawyers are handling, roughly, or closing, roughly, 250 cases of individual clients per year, which adds up to being a workload that's roughly twice, approaching three times the recommended rate for representation in the United States. So, we didn't have a lot to start with in terms of resources. What we're faced with now, quite frankly, and I've put the staff on notice, you have Patti Kennedy here, who's – if Patti, you'd stand, Debbie Littlejohn, David Schwacke and Chad Shelton and Keshia White is here, as well. You have the entire counsel of attorneys here, present, from your Public Defender's Office. The situation is serious enough that my choice is either to shut the office entirely, in order words, cut everyone's salary by one-sixth for the coming fiscal year across the board. Option two, which is equally unpalatable, would be to essentially lay off Mr. Schacke and Mr. Shelton, who, if you look on that page, you'll see the workload that would go undone. For the last year, Mr. Schacke closed 235 client's cases in General Sessions. Mr. Shelton, 255. That's close to 500 individuals who would be unrepresented for the coming fiscal year if we lose them without any alternative place, because it's – the lawyers are already handling a workload at capacity. The idea of just pouring more work on them would become almost absurd and ridiculous and unfair to those individuals waiting in jail who are waiting for an active representative that would go and get something done in the case. I realize that this is not a – exactly the budget season, but I felt that the crisis was unusual, that this is not me, coming and asking for more money. What this is – is that the state has essentially undercut the judicial system

that you have in place that you rely on to move your General Sessions and Family Court cases, and it's, it's a fairly dire circumstance. The remedies that I'm asking for, that I'm asking you to consider tonight and will consider down the road when you have your formal budget decision-making is, Number One, it's critically important that this Council convey to its state representatives that the system cannot tolerate any more cuts to what is a core function of government, which is Criminal Justice. Before we had schools, before we had a lot of things in government, when this state was founded, the core function of government that everyone recognized was Criminal Justice, in other words, to allow people to peacefully resolve their disputes through the legal system. And, that is severely jeopardized. My hope is, is that they will hear that plea. That was the plea that I made last year to the members of the house and senate that were from Berkeley County, but I'm concerned that your voice may be a little louder than mine. Second of all, getting down to brass tacks, in order to be able to keep the office going in some semblance of good order, you have to have a little bit of money at the end of the year to start the next month. In other words, if I was to ask you for an additional appropriation of \$80,000, that would get me to a zero dollar amount if there are no other state cuts in June, a year from now, which would not leave me a dollar to start paying the expenses, put on the lights, do the things you have to do in July, '12. So, what I've asked for in my proposed budget, which I've already submitted to Ms. Smith with a complete breakdown of all of our accounting, all of our funds, and I stand ready at any time to meet with you. While I'd prefer to have \$160,000, that would be an increase that would allow me to have a month and one-half carry forward or roughly \$82,000. That would be a 45-day carry forward per year. I realize times are tough, so I've asked for \$115,000, which is exactly the amount that I'm short, after I've eliminated my investigative expenses, because we've abandoned having an in-house investigator. We don't have one now as a consequence of this. We, of course, did not get the COLA that the other Berkeley County employees shared, because our folks are technically considered Charleston County; although, 100 percent of their funding is actually derived from state and Berkeley County funding. We have no screener at the jail; although, thankfully, we've got that \$8,000 that will allow us to restore a screener, so we can be screening these people while they are waiting disposition. But, the \$115,000 would allow me to have \$36,000 left over at the end of the year next year, so that I will not have to either shut the doors of the office for 60 days or lay off two people that we critically need. I know I've gone quickly. Sometimes, I've heard questions about, well why, you know, you – I don't see you as often – your office is in Charleston. I am a Circuit Defender. This position was created three years ago. I've tried to study carefully the inner workings and to respect the traditions and the contributions of this counsel. And, when I got here, we were in pretty good shape. I was able to augment that by donating an administrative assistant that came from my job as a Circuit Defender. We do all of the – our office does all – the Charleston office does all of the bookkeeping, and we are subsidizing one-half of Mr. Schwacke's salary for the citizens of Berkeley County from our Charleston monies, because he does handle cases in both counties. So, I feel like I have gone as far as I can legally go, ethically go, in terms of helping bring value to Berkeley County, but we've now reached what I consider to be an unmanageable crisis. And, I'd be happy to answer any questions. I know, I've spoken to, I believe, the majority of you as individuals, but you may have questions.

Committee Member Steve Davis: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Davis."

Committee Member Steve Davis: "Ronald Reagan used to say, 'Here we go, again', and what do you mean, Mr. Davis? Well, it's a situation where there are limited resources, and I happen to know each one of the Public Defenders, and I hold each one of them in high esteem. You know, I was a prosecutor myself for 10 years, and it's tough. It's a thankless job sometimes, especially as a Public Defender. They're representing people who are still innocent until found guilty. No question about that. And so, I take my hat off to the work that they do. And, things have changed, you know, I think I can stand on this County Council and say that I do know about the inner workings, because I was involved with it for 10 years. At that same token, I can talk about the tremendous amount of infusion of crime that have trickled over into Berkeley County, and I hear your reference to each one of your respective Public Defenders carrying a case load of 250, but I want to share with you, in private practice, we carry about 1,000 cases sometime, I want you to understand. Now, you may be doing different things, but I want you to understand that my time in the Solicitor's Office was well spent. There were times in the Solicitor's Office as a prosecutor, I carried anywhere from 400 to 600 cases – responsible for, I mean really to know everything about each one of those specific cases. Times have changed, don't get me wrong. I know we've got new technology. We didn't even have the internet back then. We didn't even have the things that can really supplement cases quicker, and cut down on the paper trail that we currently do. So, I understand, you know, the dilemma that you find yourself in again, but there we go again, that we are not certain what kind of cuts we're gonna receive again from Columbia. And so, as everybody kicking the can down the road, and at the end of the day, then it's going to be to us on County Council to have to make the difficult choices about where we're gonna get the funds to supplement and support worthwhile programs like the criminal defense. I'm thankful for my association, being an attorney. I really am thankful. I'm blessed to be in a country that would allow a little poor country boy to have an opportunity to be a lawyer, and so, I don't take lightly the role that each one of the Public Defenders play. I don't take lightly that our esteemed Solicitor Scarlett Wilson, who came before us this date, because sometimes, it's a thankless job to be honest with you, but I want the citizens to understand and Members of this County Council understand that it's a very, very important job. At the end of the day, when the rubber meets the road, here we are again with a circumstance when the legislators made a decision to have Circuit Public Defenders, and apparently, they didn't adequately fund it, and now, they put just enough, apparently, to get us started, and now, it's gonna roll down, trickle down to the local level for we the citizens and the elected officials on the local level are gonna have to make the tough decisions again, make the tough choices again. You know, there's not a day I'm not affected myself, I, for one, understand, because when we don't have Public Defenders in Juvenile Court, I get appointed so often, I think I work – I got a smaller office than the Public Defender's Office, I think, you know. I accept that for the opportunity for this profession. I really do. And so, it's a small saddle in reference to having that burden. I guess, what I'm saying at the end of everything is we hear you, and if this Committee and Supervisor in their wisdom can find this additional funds if it's there, then in all due

respect, we should try to secure it, but at the same time, if we can't, not to personalize David Schwacke. He and I used to be Solicitors together – hey, David! And so, not to personalize that, but we all gotta make some tough choices and some tough decisions. If the dollars can be found, I'll be supportive of it. That's where I'm at if the dollars can be found, but if the dollars are have to take from somewhere else, and some other service is gonna not be supported, then I'm not gonna support it. And, I just want to go on record in that regard."

Mr. Callanan: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Callanan."

Mr. Callanan: "You know, one of the points that I want to bring up is that we as Council Members have the responsibility to oversee the budgets of the elected officials. And, over the last few years, you know, we've abdicated that responsibility, because we've essentially told them, well, we'll give you the same percentages as were due last year, you know, as we did this year, you know, based on what the revenues are. And, you know, in these situations, government needs to look and figure out what services are essential – your service, for example. And, we need to not handcuff ourselves by taking away the responsibility to move money around where necessary from departments that may have excess money at the end of the year to departments that are really hurting and departments that, you know, in situations like this, there are departments that are more critical than others. And, one of the things I'd like to see Council do this year is get back, take back that responsibility. Take that responsibility back, oversee the budgets of the elected officials. Go back to a zero-based budgeting system. That will give us the ability to essentially say, you know, what are our priorities? Look at the overall revenues that we have, and then prioritize the funds that we have to the areas that they need to go. You know, and I think that's one way that we can probably help you. Look, I'm not going to defend the legislature. You know, obviously, it's, you know, it's a mandated service by the state that's normally funded by the state, but just because the state can't fund it doesn't mean we have to, you know, we have to essentially shut it down. We've got to figure out a way to pay for it, and I would just like to see this year that we give ourselves the ability to move money around and not abdicate the responsibility. Thank you."

Chairman Schurlknight: "Thank you. Any other comments?"

Committee Member Call: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Call."

Committee Member Call: "Mr. Pennington, a lot of people equate an indigent defense defendant with a guilty defendant, and that is in many times not true. And, they are entitled to a good defense. I do know David well, and I know Patti well. I appreciate the people you have in your office. I hate to be the bearer of bad tidings, but please don't hold it against me. When we were in Columbia last week, my representative told me that there was a bill making its way through the legislature that would allow the County

Councils to cut state-mandated operations by the same percentage that they cut our distribution to the local subdivisions. So, I don't know how that's gonna come out, but it don't sound good for somebody like you. Now, it's not mandatory that we do that, certainly, but in the past, they certainly hadn't made a positive statement that it would be allowed. It's going to be a little tough this year, budgetwise. I hope we can keep all those good people that you have. You all do a good job. I appreciate what you do."

Mr. Pennington: "I think, one of the points of confusion sometimes with people who are asking, well, isn't the Public Defender representing the bad guys, and why would we consider that a priority. I think, it's fairly clear though with every case, there is a victim and there are people who are waiting to have that case processed through the jail, through the detention center, so that it's costing money and with all of the delay in trying to get the case moved. If anything, the studies show that justice delayed can be justice denied for both sides – for the victim and for the defendant. The lesson that you want that child to learn early on in the process before they go out and re-offend is to get them in front of a judge where you have a chance to influence them. What I fear is that the backlog and places like Family Court where you have young people who are going to be needing to see a judge and needing some court attention simply are going to be denied it for those two months in FY '12, and that works a grave, long term injustice to the citizens of Berkeley. I recognize that choices have to be made. You know, if there's no money, there's no money, and I think it's going to be an interesting time where we begin to experiment with maybe not providing things like criminal justice for a period. I don't know that people really believe me when I say I am faced with this problem. I want to be completely transparent in all my finances. And, what I gave to the staff, the budget staff, is the complete budget with every nickel, with every nook and cranny exposed, so that you'll know that there isn't any shell game here going on with regard to funds. It is what it is, and you get what you pay for. I suppose I could ask these folks to work for two months for nothing, but I'm not going to do that. It's unjust, and it's wrong, and so, we're just gonna have to live with the consequences. As wreckless as that sounds, I think, that's being responsible. So, it's a difficult position that I'm in, and I realize that you as well are in a difficult position. It's galling to me, frankly, that the legislature is so far removed that they don't understand how the rubber meets the road when it comes down to local government. And, I believe that it will be an interesting time in the next 24 months to see what the exact consequences are going to be with some of these cuts to core functions of government."

Committee Member Pinckney: "Mr. Chairman?"

Committee Member Call: "Do you think..."

Chairman Schurlknight: "Mr. Pinckney."

Committee Member Pinckney: "I'm sorry."

Committee Member Call: "Do you think there are some savings to be had in the jail, perhaps, in the area of, maybe, bonds being too high, or, maybe, bonds for people

that didn't really have to be there. Now, I'm gonna tell you, I am very much opposed, and I'll let Scarlett know this, to let somebody out on bond that commits a crime if they're already out on bond."

Mr. Pennington: "Sure."

Committee Member Call: "I think they should be put under the jail, but, perhaps, there are some lesser crimes where the judges could be a little more liberal about whether the defendant was a danger to themselves, the community or fleeing."

Mr. Pennington: "Well, I've been doing this work for about 30 years, and I've learned over the years, because in the '90s in Charleston, that was a hot question, because we didn't want to build anymore big jails. And, the question was – it was the judge being just too harsh on bonds, but as much as I would have liked to have said yes to that, what I learned is that every case sort of turns on its own facts with the record and the things that are in front of you. And, that's where we as defenders have to present that argument to a judge who can then have the adequate foundation or justification for letting that person out."

Committee Member Call: "Thank you."

Chairman Schurlknight: "Thank you; Mr. Pinckney."

Committee Member Pinckney: "Yes, Sir; first of all, let me make this statement. I am grateful that Berkeley County is in the kind of fiscal shape that we're in, and that's due to being fiscally responsible and being accountable to the citizens of Berkeley County. And, I am in great hopes that somehow we can somehow hold our legislators to the same regard. You know, because if we'll just reflect back at Act 388. That was one that caused us to be right now suffering the way we are, because of the decisions that they made. And, you said something earlier. You had admonished us to get with our delegation, but I say to the citizens out here. That's something you need to do – get with your delegation, because what's lacking in Columbia, in comes down to Berkeley County, and we have to take up their slack. And, there are too many mandates that we have to deal with. So, I'm asking that you just not look at your local government, and try to hold us accountable, because, you know, the numbers says that we are. We just finished an audit, and we're in pretty good shape, and that's because we've been responsible, but you need to start looking at your delegation and holding them responsible, because we cannot continue to carry the water for everybody else. And, I just wanted to go on record as saying that. Thank you."

Chairman Schurlknight: "Thank you. Do we have any other comments for Mr. Ashley? Thank you, Ashley."

Mr. Ashley Pennington's presentation was accepted by the Committee as information only.

C. Transparency Committee Report

Chairman Schurlknight: "I need to make one more appointment to this committee, and that is Angela Pinson with Water and Sanitation. If we could make a notation of that – of being on the committee. Also, I'd like for this committee to regroup, and rather than present any report tonight, I would prefer the committee to schedule another meeting and properly inform the citizens and the media, and after that meeting, bring us a report. I understand there was a good bit of progress was made, gathered, and required information, and we can use that as a starting point for the next meeting."

Committee Member Cathy Davis: "Mr. Chairman?"

Chairman Schurlknight: "Ms. Davis."

Committee Member Cathy Davis: "Yes, the committee is at a point at this time where we have an estimate from Home Telephone for the audio fees and would like to move forward with that tonight. As you said, a lot of hard work has gone into this, and IT put in several weeks worth of diligent work, uncovering information and finding information with a deadline of the 28th to present – to be presented by. So, I know, that even though you do not want a complete report, I would like to move that we approve, tonight, just the purchase and installation of the audio feeds for \$624.97 from Home Telephone."

Chairman Schurlknight: "Chairman Davis, I'm going to deny that request before we move any farther with this. We will have another meeting."

Committee Member Cathy Davis: "So, you're saying that we have to wait an entire month?"

Chairman Schurknight: "Yes, Ma'am."

Mr. Callanan: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Callanan."

Mr. Callanan: "Did you voice your – that you were possibly considering doing this to the chairman of the Transparency Subcommittee before announcing it tonight?"

Chairman Schurlknight: "No, I didn't."

Mr. Callanan: "Can I ask you why?"

Chairman Schurlknight: "I don't think that has any bearing on this case. I chair this Committee, and we're not going to move forward until the media and the public is properly notified by this Committee. Thank you."

Mr. Callanan: "Ok."

Chairman Schurlknight: "Our next..."

Mr. Callanan: "No; actually, I haven't given up the floor, Mr. Chairman."

Chairman Schurlknight: "...next on the agenda..."

Mr. Callanan: "If you want to – if you want to quiet me, you know how to do it. Take a vote, ok? I have not given up the floor."

Chairman Schurlknight: "Ok; well, I'm not taking a vote on it. We will have the media, and we will have a proper meeting, and then we will report it back to this Committee. And, Mr. Callanan, I don't know how you run your committees, but we're not going to run this hap-hazard. Now, the next on the agenda is Ms. Leonitta Turner..."

Mr. Callanan: "I have not given up the floor. I mean, a point of order! I've not given up the floor. Do you – do you understand how the rules of order work?"

Chairman Schurlknight: "Ok; I'll give you a chance to speak your peace; go ahead."

Mr. Callanan: "Ok; thank you. You know, my point was that you were, I mean, you were at the meeting. We could have – had you announced earlier to the chairman that this was your intention to do this, we could have already scheduled a replacement meeting..."

Committee Member Cathy Davis: "Right."

Mr. Callanan: "...but, by waiting until tonight, you further kick the can down the road. You're – I mean, I mean, everybody knows what happened last time. You said, hey, I'm gonna get all these people together. You never did. You kicked the can down the road til now. We had the meeting. Then, your kicking the can down the road another month. I'm just trying to say, what's, you know, it just gives the wrong appearance here that we're trying to prevent these transparency measures from being implemented, and I don't want that to happen. So, that was the reason I had asked the question as to why you did not inform the subcommittee chairman, which you yourself appointed that this was your intention tonight? Because if you had reported it to her three weeks ago, we could have already had a replacement meeting before tonight's meeting, and we could have addressed the items on there. What – I mean, it just, like I said, it gives the appearance that you have no intention of pursuing the items on this Transparency Agenda, and that we're just gonna continue this process of kicking the can down the road, and that concerns me. I'm done with my comments. Thank you."

Chairman Schurlknight: "Ok; thank you."

D. Ms. Leonitta Turner, Human Resources Director, Re:

1. Real Property Services Position

Ms. Turner: “Good evening; how is everyone? We have enough smiles up there today, but I’m hoping we get a little bit of those. And yes, I am one of those coming asking for money again, but that is part of my job. The first group I want to talk about is Real Property Services. Last year – in 2009, Ronnie Williams left, and he had been our Assessor for a long period of time. Once he left, we put Wilson Baggett in his position as an interim director, and then, we hired him as a full time director. Because we did not know what our financial stance was going to be, Wilson has been doing both the deputy director position and the director position in Real Property Services while dealing with a new system that I hear has been more than challenging in that area. One of the challenges that Wilson faces is that he was the one who was assessing most of the commercial property that we have. He has been training some of the Senior Assessors to do more than assessments, but he has continued to carry that weight, as well as carry the whole weight of all the supervision, all the weight of the budgeting, and all the weight of the director. And because of that, I am here asking that we consider giving Wilson back, unfreezing that deputy director position that he had. And, the reason we have to say unfreezing is because that money is not in the budget. It was not funded in July 2011.”

Committee Member Pinckney: “I move for approval.”

Ms. Turner: “Go ahead, Steve, I see you.”

Committee Member Steve Davis: “Mr. Chairman?”

Chairman Schurlknight: “We have a motion for approval. Do I have a second?”

Committee Member Steve Davis: “I second it for discussion.”

Chairman Schurlknight: “Ok; go ahead, Steve.”

Committee Member Steve Davis: “So, there’s no money there?”

Ms. Turner: “Right now, the amount of money that we have in that budget is \$24,918.00, and that was for an Administrative Specialist II, but if we were going to make that deputy director position, the bottom base for that would be \$43,192.60.”

Committee Member Steve Davis: “Can we fund it just for the remainder of the year instead of that amount you are requesting, just to get us til the budget ends? What sum of money would that require?”

Ms. Turner: “I would have to do the math. That would be less than half of that.”

Committee Member Steve Davis: “And see, I’d be more amenable to that, then it would give our esteemed Supervisor an opportunity to work with the figures, and see where the money would come to fund the position fully, and then at the same time, it would lessen the impact at this particular junction. So, it would be my position that we fund it only til the extent it completes the budget cycle. I put that in the form of a motion.”

Ms. Turner: “And that amount of money would be in the budget if we just funded that position.”

Supervisor Daniel Davis: “And, Mr. Chairman, that’s – that’s what we propose to do. We will – that will carry us to the end of the year. Then we will incorporate the position in next year’s budget.”

Mr. Farley: “You wouldn’t need – you can just do a transfer inside then, correct?”

Ms. Turner: “We wouldn’t have to do a transfer of that money, because we do have that money in his budget. It’s just down at a lower level position. It is classified as an Administrative Specialist II, which is a C-15, and we are asking for a C-37, which is the Deputy Director.”

Chairman Schurlknight: “Ok; Mr. Davis, I already had a motion on the floor from Mr. Pinckney.”

Committee Member Pinckney: “Do I need to...”

Committee Member Steve Davis: “I’d like to amend Mr. Pinckney’s motion to say that the funds would only be for the end of the budget cycle.”

Committee Member Pinckney: “That’s agreeable with me. That’s fine.”

Chairman Schurlknight: “Ok; we have a motion and a second; any other discussion?”

Mr. Callanan: “Yes, Mr. Chairman?”

Chairman Schurlknight: “Mr. Callanan.”

Mr. Callanan: “If you could explain this to me again here. The issue is that when Ronnie left, Wilson was the deputy. He took over Ronnie’s position, and it’s the combination of doing the commercial assessments and the administration that’s putting this strain on it?”

Ms. Turner: "As well as the work that he is doing with Assess Pro, which is their software. I think Ronnie is here – I mean Wilson is here, and he can even give you more detail of some of the hardships it has been trying to do both of the positions."

Mr. Callanan: "Ok."

Supervisor Daniel Davis: "And, if I can – you know, in a lot of situations like this, we've asked, as in this position, this situation, we asked them to try to get along without the deputy, and Wilson was agreeable to do that, and he thought that he was going to work out, but you know, we've tried it now for a little over a year, and it's just not working out, so I have to – I have to acknowledge that in a lot of cases, the directors are trying to help us with their budget things and sometimes to their own peril."

Mr. Wilson Baggett, Assessor: "Yeah, I couldn't say that any better. The situation – I kinda wish Ronnie was still here. It would take away a lot of the problems, but when he left, we were in the midst of a re-assessment, and the budget was already in question, and I was asked to take the position in hopes of getting a deputy, but the budget just didn't allow it. It was frozen, and since my communications back and forth with HR and Mr. Davis, we've just been trying to find the right time to approach it, and my patience is to a point now where I feel like we are getting a diminishing return. We have 90,000 parcels and I have nine appraisers. The nine appraisers handle 10,000 parcels a piece, which would include anything that happens within their given area. They are already stretched with the Act 388 that – I can't remember who brought it up, but that's just been a nightmare, because it really causes a re-assessment annually. Anytime a sale occurs anywhere within a neighborhood, we have to re-appraise the entire neighborhood from all the sales that occurred during that year. So, we are essentially re-assessing annually, and so I am trying to carry both torches, but I need to have someone to be able to carry the torch if I am unable. So, I need someone to train. I had 10 years under Ronnie's tutorage, in order to pick up the finer points of running the department. When he left, I feel like it was a seamless move. If I were to leave tomorrow, you have no one in position that can handle the things that I was handling. And, that's a concern of mine, and I've expressed that, and now, we are to a point that where I was kind of hopeful that we would be able to get someone in a position as a deputy that they would be able to maintain the department at my absence as well as, on the worst case, if I were to get hit by a truck."

Mr. Callanan: "Right; but – and the question I have was not the necessity..."

Mr. Baggett: "Right."

Mr. Callanan: "...of the additional person is essentially more of a kind of logistics issue where, you know, does it make more sense to bump the longest serving person who's serving in that department up to that position. It's not as much of a move, and then hire someone at the bottom of the pay scale..."

Mr. Baggett: "That's what..."

Mr. Callanan: "...versus, hiring someone."

Mr. Baggett: "That's, that's actually my hope. I have two individuals in my department that could fill the deputy position. Of course, it's gonna have to go out for bid and all. I mean, you know, it'll have to go out and try to get it, but that is the hope that, that the last three assessors have all come from within. So, it's been a proving ground and an opportunity for folks to move through. So, I do have two individuals that I am considering, one that I know can handle it, so that would free up – if I were to hire that one, that would free up another position, which wouldn't have to be paid until I was able to find someone to fill their job..."

Mr. Callanan: "And if they've been there for awhile, their earning more money..."

Mr. Baggett: "Right."

Mr. Callanan: "...and so they just get – would they just get bumped up to the starting pay of the deputy?"

Mr. Baggett: "Correct; that's the way I understand it, yeah, so it would actually be a smaller adjustment on that regard; yes, Sir; you are exactly right."

Mr. Callanan: "Ok; thank you."

Mr. Baggett: "Alright."

Chairman Schurlknight: "Any other questions, comments?"

Ms. Turner: "And just so you know, Mr. Callanan, the reason why I gave you the full figures, because we can never quite guarantee whether someone is going to be inside or outside, and so I want to be sure that County Council has the worst case scenario on what an approval would be. I know Wilson is looking at promoting people internally, and if we do that, that would then leave the lowest position that he has open, which would then be an assessor."

Chairman Schurlknight: "Thank you. We have a motion and a second to extend this through this budget year."

The motion passed by unanimous voice vote of the Committee.

2. Sangaree Special Tax District Position

Ms. Turner: "And now, I'm not asking for money. I'm just asking for changes in some of the positions in Sangaree. For those who don't know..."

Committee Member Cathy Davis: “Move for approval.”

Ms. Turner: “...Sangaree Special Tax District...”

Committee Member Steve Davis: “Second.”

Chairman Schurlknight: “We have a motion and second. Do we have any comments?”

There were no further comments.

The motion passed by unanimous voice vote of the Committee.

E. Mr. Gene Butler, Economic Development Director, Re: Letter of Inducement for FILOT Agreement

Mr. Butler: “Good evening, Mr. Chairman and Members of Council. Thank you for the opportunity to be here tonight. My purpose in being on the agenda is to ask for your consideration by letter of inducement for a resolution that would allow the County to enter into an agreement for a FILOT or fee-in-lieu of tax agreement with New Breed Logistics. New Breed is poised to be a new business in Berkeley County that will create up to maybe 100 jobs with a good pay, and I would like to ask for your consideration.”

It was moved by Committee Member Pinckney and seconded by Committee Member Call to **approve** the Letter of Inducement for FILOT Agreement.

Chairman Schurlknight: “We have a motion and second; discussion?”

Mr. Fish: “Mr. Chairman?”

Chairman Schurlknight: “Mr. Fish.”

Mr. Fish: “Can you tell – it says – Item No. 4 says the County agrees to place the project in the existing multi-county industrial park. Do you have any idea where that’s going to be?”

Mr. Butler: “Sir, I am sorry. I didn’t hear you.”

Mr. Fish: “Where the location is going to be?”

Mr. Butler: “Yes, Sir; it’s in Hanahan, North Pointe.”

Mr. Fish: “Thank you.”

Mr. Callanan: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Callanan."

Mr. Callanan: "Yeah; I'd just – I'd just like to explain this to folks since we've got a pretty good crowd here, essentially how the tax system works here, and it'll be real quick, I promise. Essentially, what you're doing – the state has the highest tax rate in the nation for manufacturers. What's it? Ten and a-half percent?"

Mr. Butler: "Right; yes, Sir."

Mr. Callanan: "And so, all we're doing here is bringing it down to a reasonable level, which is six percent, what your normal business or non-primary residence real estate pays."

Mr. Butler: "That's correct."

Mr. Callanan: "So, and it's a – you know, I, generally, I don't quite remember a time when I have not supported one of these, but I just wanted to bring that up to people. It's not some sort of giveaway."

Mr. Butler: "It kind of levels the playing field."

Mr. Callanan: "It's just, it's just trying to be reasonable."

Committee Member Steve Davis: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Davis."

Committee Member Steve Davis: "What's equally important is the 20-year commitment."

Mr. Butler: "Yes, Sir."

Committee Member Steve Davis: "And, what's vital is the 100 jobs paying between \$30,000 - \$45,000, with benefits."

Mr. Butler: "Over a 20-year period, as you can see from the scenario. It saves the company a little over 400,000."

Committee Member Steve Davis: "Ok."

Mr. Butler: "In taxes."

Supervisor Daniel Davis: "And Mr. Chairman – Gene, you want to tell us what their coming to do?"

Mr. Butler: "Yes; New Breed is a 3PL. It's a company that's diverse in the various things that they do, but in this particular scenario, they'll be entering into a contract, my understanding, with Boeing to supply services to them – storing parts and delivering things as needed, and they'll just be handling the products that they've contracted to work with to sort of have a just-in-time delivery service for the manufacturing facility."

Chairman Schurlknight: "That's great; hopefully, that's one of many starting to come this way. Gene let me ask you something, just for general information. Over recent months, Economic Development – have we seen a rise in that or more of an interest? Are you seeing more activity in Economic Development as far as prospects..."

Mr. Butler: "We have."

Chairman Schurlknight: "...in Berkeley County."

Mr. Butler: "We have. This year, we've seen a significant increase in the activity levels, and it seems to be sustaining itself. It continues to be an active market right now, and we're seeing it all around the state, not just in our region, but we are seeing a lot of inquiries, and things are happening. There's some good projects out there right now."

Chairman Schurlknight: "Great."

Mr. Butler: "So it's very encouraging to see what's going on."

Chairman Schurlknight: "Good; thank you."

Committee Member Cathy Davis: "Mr. Chairman?"

Chairman Schurlknight: "Ms. Davis."

Committee Member Cathy Davis: "Yes, Gene, when do you anticipate the hiring process will begin?"

Mr. Butler: "I'm not sure..."

Committee Member Cathy Davis: "Soon?"

Mr. Butler: "I'm not sure when that will take place. There is a company representative here tonight, if you would like Mr. Helk to come up and, perhaps, address some of those issues. I don't know the answer to that."

Committee Member Cathy Davis: "I was just curious as to how soon."

Mr. Butler: "Would you like to hear from him?"

Chairman Schurlknight: "If I could get you just to state your name and your company and address, please, for the record."

Mr. Joe Helk: "Sure, my name is Joe Helk. I'm Vice President of Sales Marketing and Communications for New Breed Logistics."

Chairman Schurlknight: "Good; and Ms. Davis, your question?"

Committee Member Cathy Davis: "Yes, I was just wondering how soon you would start hiring?"

Mr. Helk: "Yeah, we already have some employees in place here working on other projects, but for this particular project, it would start around May 1st."

Committee Member Steve Davis: "Do you envision – I'm sorry. Go ahead."

Committee Member Cathy Davis: "And how many do you anticipate total hiring?"

Mr. Helk: "Initially, we are looking at about – during initial start-up phase, we are looking at about 75 to 100 employees, and then, once we get into full operation, then it will be greater than 100."

Committee Member Cathy Davis: "Ok; thank you."

Committee Member Steve Davis: "In reference to these potential employees, are they relocating or are we using talents that are in the Tri-County Area?"

Mr. Helk: "Other than for the management team, this is all local."

Committee Member Steve Davis: "Ok; thank you."

Mr. Helk: "All local talent."

Committee Member Steve Davis: "Thank you."

Mr. Callanan: "That's great."

Chairman Schurlknight: "Any other questions?"

There were no other questions.

Chairman Schurlknight: "Good; thank you, and welcome to Berkeley County."

Mr. Helk: "Thanks."

Supervisor Daniel Davis: "Dittos; thanks for the jobs."

Chairman Schurlknight: "Yeah; believe me."

The motion passed by unanimous voice vote of the Committee.

F. Consideration of a **resolution** providing that under certain conditions, Berkeley County will enter into an agreement, pursuant to Title 12, Chapter 44, of the Code of Laws of South Carolina with **New Breed Logistics of South Carolina, LLC**.

It was moved by Committee Member Steve Davis and seconded by Committee Member Pinckney to **approve consideration** of a **resolution** providing Berkeley County to enter into an agreement with New Breed Logistics of South Carolina, LLC. The motion passed by unanimous voice vote of the Committee.

G. Consideration of an **ordinance** authorizing the execution and delivery of a fee agreement between Berkeley County, South Carolina, and **New Breed Logistics of South Carolina, LLC**, and matters relating thereto.

It was moved by Committee Member Pinckney and seconded by Committee Member Steve Davis to **approve consideration** of an **ordinance** authorizing the execution and delivery of a fee agreement between Berkeley County and New Breed Logistics of South Carolina, LLC. The motion passed by unanimous voice vote of the Committee.

It was moved by Committee Member Steve Davis and seconded by Committee Member Pinckney to **adjourn** the meeting of the Committee on Finance. The motion passed by unanimous voice vote of the Committee.

Meeting adjourned at 7:52 p.m.

March 28, 2011
Date Approved